

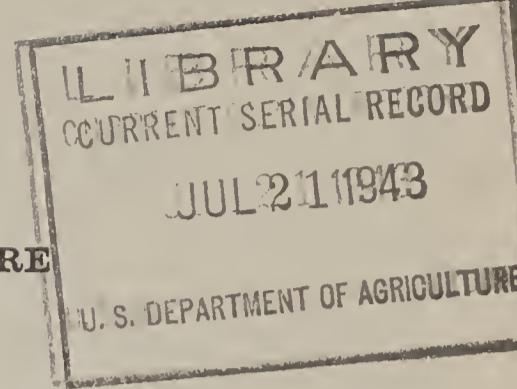
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FD Reg. 1
MARCH 6, 1943

FOOD DISTRIBUTION ADMINISTRATION
UNITED STATES DEPARTMENT OF AGRICULTURE



[Food Distribution Regulation 1]

PART 1595—FOOD PRIORITIES

FOOD PRIORITIES

Pursuant to the authority vested in me by Executive Order No. 9280, dated December 5, 1942, and in order to supply war and other acute emergency needs, It is hereby ordered as follows:

§ 1595.1 *Food priorities*—(a) *Definitions.* When used in this regulation, unless otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) The term "person" means any individual, partnership, corporation, association, or other business entity and includes the States or any subdivisions thereof and the United States and any department, agency, or instrumentality thereof.

(2) The term "food" means all commodities and products, simple, mixed, or compound, or complements to such products, that are or may be eaten or drunk by either humans or animals, irrespective of other uses to which such commodities or products may be put, and at all stages of processing from the raw commodity to the product thereof in a vendible form for immediate human or animal consumption, and including all starches, sugars, vegetable and animal fats and oils.

(3) The term "emergency order" means:

(i) Any contract or purchase order for food to be delivered to the Army, Navy, Coast Guard, or Marine Corps of the United States; to any person feeding, under contract (directly or indirectly), personnel of the Army, Navy, Coast Guard, or Marine Corps of the United States (to the extent necessary to feed such personnel); to the United States Maritime Commission; and to the War Shipping Administration; or for food to be delivered, under a contract or purchase order placed by an agency of the United States, to or for the account of the government of any country pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States" (Lend-Lease Act): *Provided*, That any contract or purchase order of the foregoing for food

(a) Which is the subject of any ration order issued by the Office of Price Administration, or

(b) Which is the subject of any food order issued by the Secretary of Agriculture requiring quantities of food to be set aside for delivery to any of the agencies or persons named in this paragraph (a) (3) (i), shall not be an emergency order under this paragraph (a) (3) (i); or

(ii) Any contract or purchase order for food to which the Director assigns a priority rating under this regulation.

(4) The term "Director" means the Director of Food Distribution, United States Department of Agriculture, or any employee of the United States Department of Agriculture designated by such Director.

(b) *Assignment of priority ratings.* The Director may assign priority ratings to contracts, purchase orders, or deliveries concerning food by means of priority rating certificates or at his discretion, by other means. Such ratings may be assigned to deliveries under accepted contracts or purchase orders and also to purchase orders which have not been placed or accepted at the time application is made for such rating. The Director may also issue specific orders as to particular deliveries without assigning ratings thereto, and such orders shall take precedence over all priority ratings issued hereunder.

(c) *Certain emergency orders rated FR-10.* Every emergency order as defined in paragraph (a) (3) (i) hereof is hereby assigned a priority rating of FR-10. This automatic assignment of priority ratings does not apply to contracts or purchase orders for foods which are the subject of ration orders issued by the Office of Price Administration or orders issued by the Secretary of Agriculture requiring food to be set aside for delivery to the Government agencies or persons named in paragraph (a) (3) (i). However, priority ratings may be assigned by the Director to contracts or purchase orders for such food under paragraph (b) hereof.

(d) *Duration of priority ratings.* Unless an emergency order, other than an order rated FR-10 under paragraph (c) hereof, is placed with or delivered to a person for acceptance within 15 days following the date of issuance of such rating or within such other period of time as may be specified by the Director, on the food priority rating certificate or otherwise, such rating shall expire and

be without force and effect. All priority ratings may be revoked at any time by the Director.

(e) *Extension of priority ratings.* (1) Priority ratings assigned to contracts or purchase orders of or deliveries to an agency or person named in paragraph (a) (3) (i) hereof, may be extended to the suppliers or subsuppliers of any person required to deliver pursuant to such emergency orders to the extent authorized by the contracting officer of such agency or person, such authorization to be given in writing. Priority ratings assigned to other contracts, purchase orders, or deliveries may not be extended to any suppliers or subsuppliers unless the Director specifically authorizes such extension.

(2) Any person authorized to extend priority ratings may do so:

(i) On the written contract or purchase order by endorsing on or attaching to each contract or purchase order placed by him to which the rating is to be extended a certification in substantially the form provided in Appendix A hereof, signed by an official duly authorized for such purpose; and

(ii) On a purchase order placed by telegraph, by including in the telegram a certification substantially as follows:

Ratings indicated are certified pursuant to Food Distribution Regulation No. 1, and a copy of such telegram signed by a duly authorized official shall, in every case, be furnished to the addressee thereof.

(3) The person receiving the certification and rating shall be entitled to rely on such representation unless he knows or has reason to believe it to be false. Each person extending a rating or filling an order bearing an extended rating shall maintain at his regular place of business all the records prescribed in paragraph (n) hereof.

(4) Unless the person authorized to extend a priority rating places his order to which such rating is extended, or delivers such order to a person for acceptance, within fifteen days following the date upon which such extension is authorized or within such other period of time as may be specified by the Director or the contracting officer of an agency or person named in paragraph (a) (3) (i), hereof, such extended rating shall expire and be without force and effect.

(5) No person shall duplicate in whole or in part purchase orders which he has placed with one or more suppliers for delivery of food to which he has extended a rating in such manner that the amount of the food ordered exceeds the amount to which he is authorized to extend the rating, even though he intends to cancel or reduce his purchase orders to the authorized amount prior to completion of delivery.

(6) No priority rating may be extended to any material other than food.

(f) *Sequence of priority ratings.* Priority ratings under this regulation shall be referred to and designated as Food Priority Ratings and shall have the following order of precedence: FR-1, FR-2, FR-3, FR-4, FR-5, FR-6, FR-7, FR-8, FR-9, FR-10.

(g) *Set aside quantities of food.* Unless specifically authorized by the Director, no person shall fill any emergency order by delivering the set aside portion of any food required by any order of the Secretary of Agriculture to be set aside, except to the agency or agencies named in the order requiring the food to be set aside.

(h) *Compulsory acceptance of emergency orders.* Emergency orders must be accepted and filled in preference to any other contracts or purchase orders for food, except that such order need not be accepted:

(1) If delivery on schedule thereunder would be impossible by reason of the requirements of previously accepted orders bearing higher or equal priority ratings, unless acceptance is specifically required by the Director.

(2) If the person seeking to place such orders is unwilling or unable to meet regularly established prices and terms of sale or payment; however, there shall be no discrimination against such orders in establishing such prices or terms; or

(3) If the food ordered is of a kind which is not usually sold by the person to whom such order is offered and which is not capable of being produced by such person without substantial alteration of, or addition to, such person's facilities, unless such person has a supply of such food in sufficient quantity to fill such order.

(i) *Sequence of deliveries.* (1) Every delivery under an emergency order shall be made in preference to deliveries under all other contracts or purchase orders whenever and to the extent necessary to meet the delivery schedule provided in the food priority rating certificate covering such delivery. Deliveries bearing no priority rating or lower priority ratings shall be deferred to the extent necessary to assure those deliveries bearing higher priority ratings, even though such deferment may cause defaults under other contracts or purchase orders. Each person who has emergency orders on hand must so schedule his production and deliveries that deliveries thereunder will be made on the dates required, giving precedence in the case of

unavoidable delay to deliveries bearing the higher rating.

(2) The sequence of deliveries under emergency orders bearing the same priority rating shall be determined by the respective dates on which the emergency orders are placed, the emergency order placed first in point of time having precedence over other emergency orders. If emergency orders bearing the same priority rating are placed on the same day and it is impossible to deliver all the quantities specified on schedule, the sequence of deliveries shall be determined by the delivery dates specified in the respective priority rating certificate by which priority ratings were assigned to such orders.

(j) *Rejected orders and deferred deliveries.* When an emergency order has been rejected in violation of this regulation or when deliveries under emergency orders have been unreasonably or improperly deferred, the person seeking to place such order or the person entitled to delivery may file with the Director a report, setting forth the facts in connection with the rejection or the deferment. The Director may thereupon take such action as he deems appropriate, including the imposition of penalties as provided in paragraph (r) hereof.

(k) *Allocations.* When specific allocations of a food are made by the Secretary of Agriculture or the Director by allocation orders, such allocations shall, unless otherwise provided by the Secretary or Director (as the case may be), be made without regard to any priority ratings which have been assigned to deliveries under particular contracts or purchase orders and shall prevail over any such priority ratings.

(l) *Use of food obtained under priority rating.* Any person who obtains a delivery of any food by a priority rating or pursuant to an order of the Director must use such food for the purpose for which it was obtained. If it cannot be used for such purpose for any reason, such person shall redeliver the food to the person who originally delivered it to him. If and to the extent that such person is not able to use or dispose of such food, he shall file with the Director a report describing the same so that such food can be redistributed.

(m) *Existing contracts.* The requirements of this regulation shall be observed without regard to existing contracts or any rights accrued or payment made thereunder.

(n) *Records and reports.* Every person participating in a transaction involving food to which any priority rating issued hereunder applies shall keep and preserve accurate records sufficient to show the following details concerning all transactions (priority and nonpriority) in such food: (1) a copy of contracts or purchase orders and invoices or sales slips, (2) the dates on which all purchase orders were accepted or rejected, (3) the delivery dates requested and the dates of actual delivery, (4) a

description of the food involved, (5) a record of delivery by classes, types, quantities, and values, (6) the names of parties involved in each transaction, (7) the priority rating, if any, assigned or extended to the purchase order or contract, (8) the names of persons, if any, to whom the priority rating is extended and the quantity of food received under each extension, (9) the priority rating certificate, if any, (10) and such other information as may be required by the Director. The records required above may be kept by preserving the usual business papers and records insofar as they provide the information required. If the emergency order is accepted and delivered on time, the above records need cover only the period between the acceptance of the order and delivery and must be preserved for a period of two years. If the emergency order is rejected or delivery is deferred, the required records must cover the period beginning with the receipt of the order and ending two months after the rejection or deferment, and must be preserved for a period of two years. Each person also shall execute and file reports and submit other information requested by the Director within the time period specified by him. (This record-keeping requirement has been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.)

(o) *Audits and inspections.* All books, records, and accounts of any person participating in any transaction to which any priority rating issued hereunder applies, shall, upon request, be submitted to audit and inspection by the Director.

(p) *Illegal use of priority rating.* No person shall claim or assert any priority rating for any contract or purchase order unless such contract or order is rated under paragraphs (b), (c), or (s) hereof.

(q) *Petition for relief from hardship.* Any person affected by this regulation who considers that compliance herewith would work an exceptional and unreasonable hardship on him may petition in writing (in triplicate) for relief to the Director, setting forth all pertinent facts and the nature of the relief sought. The Director may thereupon take such action as he deems appropriate and such action shall be final.

(r) *Violations.* Any person who wilfully violates any provision of this regulation or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this regulation or wilfully conceals a material fact concerning a matter within the jurisdiction of any Department or agency of the United States may be prohibited from receiving or making further deliveries of any material subject to allocation, may be deprived of priorities assistance, and such further action may be taken against him as the Director deems appropriate, including recommendations for prosecution under section 35a of the Criminal Code (18 U. S. C. 1940 ed. 80), under paragraph 5 of Section 301 of Title

III of the Second War Powers Act, and under any and all other applicable laws.

(s) *Priorities regulations of the War Production Board superseded.* This regulation supersedes all priorities regulations of the War Production Board in so far as such priorities regulations apply to food except that as to preference ratings heretofore assigned to contracts or orders or as to violations of said priorities regulations or rights accrued, liabilities incurred, or appeals taken under any of said priorities regulations prior to the effective date hereof, such priorities regulations shall be deemed in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, or liability. All preference ratings for food under the War Production Board priorities regulations not heretofore placed with any person shall expire and be without force and effect 15 days after the effective date of this regulation.

(t) *Communications to the Department of Agriculture.* All reports required to be filed hereunder and all communications concerning this regulation shall, unless otherwise directed, be addressed to the Director of Food Distribution, United States Department of Agriculture, Washington, D. C., Ref: FDR-1.

(u) *Territorial scope.* The provisions of this regulation shall apply to all persons in the United States, its territories

and possessions, and the District of Columbia.

(v) *Effective date.* This regulation shall be effective March 6, 1943.

(E.O. 9280, 7 F.R. 10179)

Issued this 6th day of March, 1943.

[SEAL] CLAUDE R. WICKARD,
Secretary of Agriculture.

APPENDIX A—FORMS

1. Any contract or purchase order bearing a priority rating of FR-10, conferred by paragraph (c) of Food Distribution Regulation No. 1 (7 C.F.R. § 1595.1 (c)) may contain substantially the following language:

This purchase order (contract) carries an automatic priority rating of FR-10 under the terms of paragraph (c) of Food Distribution Regulation No. 1. That regulation requires that this purchase order (contract) be given priority in acceptance and delivery over other purchase orders or contracts without priority ratings.

2. Any contract or purchase order to which a priority rating is issued by the Director under paragraph (b) of Food Distribution Regulation No. 1 (7 C.F.R. § 1595.1 (b)) may contain substantially the following language:

This purchase order (contract) bears a priority rating of FR— under authorization No. _____ issued to _____ by the Director of Food Distribution. Delivery on this order (contract) must be made in accordance with the provisions of Food Distribution Regulation No. 1. The purchaser certifies that this order is within the quantity au-

thorized and that the authorization does not expire until _____.

3. The person authorized by this regulation to permit extensions of priority ratings issued under paragraph (e) of Food Distribution Regulation No. 1 (7 C.F.R. § 1595.1 (e)) may do so by the use of substantially the following language:

This priority rating of FR— may be extended to any _____ to the extent necessary to obtain food to fill this order (contract), in accordance with the provisions of Food Distribution Regulation No. 1. This authorization of extension shall expire _____.

4. Any person using an extended priority rating under paragraph (e) of Food Distribution Regulation No. 1 (7 C.F.R. § 1595.1 (e)) on any written contract or purchase order shall attach substantially the following certificate:

CERTIFICATE

The undersigned purchaser hereby represents to the seller and to the Secretary of Agriculture that he is entitled to extend the priority rating indicated opposite the item shown on this purchase order (contract) and that such extension is in accordance with Food Distribution Regulation No. 1, with the terms of which the undersigned is familiar and has been duly authorized according to the provisions of such regulation.

Name

Address

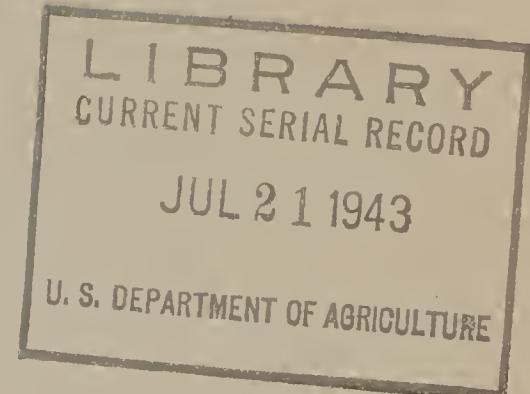
By _____
Duly authorized officer

Date _____

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AMDT. 1
MAY 29, 1943



WAR FOOD ADMINISTRATION

[Food Distribution Regulation 1, Amdt. 1]

PART 1595—FOOD PRIORITIES

FOOD PRIORITIES

Pursuant to the authority vested in the War Food Administrator under Executive Order No. 9280 of December 5, 1942, and Executive Order No. 9322 of March 26, 1943, as amended by Executive Order No. 9334 of April 19, 1943, Food Distribution Regulation No. 1, § 1595.1 (8 F.R. 2816), issued by the Secretary of Agriculture on March 6, 1943, is amended by deleting therefrom the provisions in

paragraph (a) (2) and inserting, in lieu thereof, the following:

(2) The term "food" means all commodities and products, simple, mixed, or compounded, that are or may be eaten or drunk by either humans or animals, irrespective of other uses to which such commodities or products may be put, and at all stages of processing from the raw commodity to the product thereof in a vendible form for immediate human or animal consumption, and including all starches; sugars; tobaccos; vegetable, fish, marine animal and animal fats and oils, whether edible or inedible, and in-

cluding their by-products and residues (whether resulting from refining, distillation, saponification, pressing or settling); sulfated, sulfonated, and sulfurized fats and oils; tall oil; wool grease; soap; fatty acids; and glycerine.

This amendment shall be effective May 31, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 29th day of May 1943.

CHESTER E. DAVIS,
War Food Administrator.

Press Release Immediate,
Tuesday June 1, 1943.

Tobacco, soap, all fats and oils and their derivatives today were added to the list of products for which priorities can be issued by the War Food Administration.

Inclusion of these commodities under the scope of Food Distribution Regulation 1 was effected by amending the term "foods" to include these products. (The amendment is attached.)

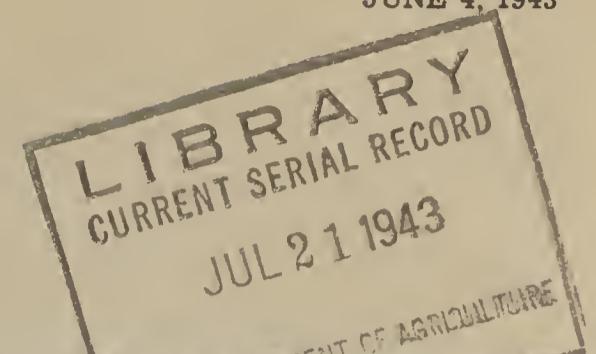
Food Distribution Regulation 1 was issued to enable Government agencies including the Armed Forces to obtain food supplies promptly when needed, and to permit the Food Distribution Administration to expedite delivery of food to meet emergency situations for certain civilian users.

Under the original regulation, the term "foods" was limited insofar as it applied to fats and oils. As amended, the regulation includes all fats and oils from

their raw stage through their processing. This centralizes the issuances of priorities on fats and oils in the Food Distribution Administration. The FDA, however, will consult with the War Production Board on the issuance of priorities for all industrial uses of fats and oils.

Tobacco was added to the priorities regulation as a result of the transfer of the Tobacco and Beverage Branch, WPB, to the Food Distribution Administration.

WAR FOOD ADMINISTRATION



PART 1598—GENERAL REGULATIONS
 [Food Distribution Regulation 2]

CONTRACT SCHOOL AND SHIP OPERATORS PERMITTED TO BUY SET ASIDE AND RESTRICTED FOOD

Pursuant to the authority vested in me by Executive Order No. 9280, dated December 5, 1942, and Executive Order No. 9322, dated March 26, 1943, as amended by Executive Order No. 9334, dated April 19, 1943, and in order to permit contract schools and ship operators to obtain set aside and restricted foods, *It is hereby ordered*, as follows:

§ 1598.1 Purchasing of set aside and restricted food by contract schools and ship operators—(a) Definitions. When used in this regulation, unless otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) The term "contract school" means and includes any person who is feeding, pursuant to a written contract with an agency of the United States, personnel of the Armed Services of the United States fed under the command of a commissioned or non-commissioned officer or other authorized representative of the Armed Services of the United States, and who is specifically authorized by the Armed Service concerned to purchase set aside and restricted food pursuant to this regulation.

(2) The term "Armed Services of the United States" means the Army, Navy, Marine Corps, and Coast Guard of the United States.

(3) The term "ship operator" means any person conducting the business of vessels for the account of the United States under a general agency form of service agreement approved by the Administrator of the War Shipping Administration, or operating as the owner, or owner's agent, a vessel time chartered to the United States, represented by the Administrator of the War Shipping Administration.

(4) The term "set aside food" means that portion of any food being held by any person pursuant to any food order of the Secretary of Agriculture, the Administrator of Food Production and Distribution, or the War Food Administrator, now or hereafter issued, requiring food to be set aside and held for sale or delivery to the Armed Services of the United States or to the War Shipping Administration.

(5) The term "restricted food" means any food which is the subject of a food

order issued by the Secretary of Agriculture, the Administrator of Food Production and Distribution, or the War Food Administrator, restricting deliveries of such food to civilians or establishing quotas for use of raw materials or finished products and excepting from such quotas food delivered to the Armed Services of the United States or the War Shipping Administration.

(6) The term "person" means any individual, partnership, corporation, association, or other business entity, and includes the States and any subdivisions thereof.

(7) The term "Director" means the Director of Food Distribution, United States Department of Agriculture, or any employee of the United States Department of Agriculture designated by such Director.

(b) *Purchases of set aside food by contract schools.* Notwithstanding the provisions of any food order or regulation now or hereafter issued, unless specifically prohibited therein, any contract school may purchase any set aside food from any person and any person may sell or deliver set aside food to any contract school: *Provided*, That all such purchases by such contract school shall be made by written order or contract containing the following certificates signed by an authorized representative of the contract school and by an officer of the Armed Services of the United States:

The undersigned certifies and represents to the War Food Administration that he is the _____ of _____

(Position held) (Name of university, school, etc.) which is feeding _____

(Army, Navy, Marine Corps or Coast Guard) personnel pursuant to contract No. _____ with _____, and that

(Contracting Government Agency) all of the items and quantities of food listed hereon are required for and will be used in feeding such personnel.

_____ (Title)
 I certify that _____

(Name of university, school, etc.) is feeding _____

(Army, Navy, Marine Corps or Coast Guard) personnel pursuant to contract No. _____ with _____, and that

(Contracting Government Agency) the above individual has represented to me that all of the food items and quantities listed hereon are required for and will be used in feeding such personnel.

_____ (Officer's title)
 All set aside food purchased by contract schools shall be used by such schools

only for feeding personnel of the Armed Services of the United States.

(c) *Purchase of restricted food by contract schools.* Notwithstanding the provisions of any food order or regulation now or hereafter issued, unless specifically prohibited therein, any contract school may purchase restricted food from any person and any person may sell or deliver restricted food to contract schools and such sales or deliveries may be considered by the sellers in the same manner as sales to the Armed Services of the United States: *Provided*, That such sales shall be made by written order or contract containing duly signed certificates in the form provided in paragraph (b) hereof. All restricted food purchased by contract schools pursuant to this regulation shall be used only for feeding personnel of the Armed Services of the United States.

(d) *Purchase of set aside food by ship operators.* Notwithstanding the provisions of any food order or regulation now or hereafter issued, unless specifically prohibited therein, any ship operator may purchase set aside food from any person and any person may sell or deliver set aside food to any ship operator: *Provided*, That all such purchases by such ship operators shall be made by written order or contract containing the following certificates signed by an authorized representative of the ship operator and by the Administrator of the War Shipping Administration or his duly authorized representative:

The undersigned certifies and represents to the War Food Administration that he is the _____ of _____

(Position held) (Name of ship operator)

which is operating vessels under contract No. _____ of the War Shipping Administration, and that all of the items and quantities of food listed hereon are required for and will be used for feeding aboard such vessels.

_____ (Title)
 I certify that _____ is operating vessels under contract No. _____

(Name of ship operator) with the War Shipping Administration, and that the above individual has represented to me that all the food items and quantities listed hereon are required for and will be used for feeding aboard such vessels.

_____ (Title)
 All set aside food purchased by ship operators shall be used by such operators only for feeding aboard vessels operated under contract with the War Shipping Administration.

(e) *Purchase of restricted food by ship operators.* Notwithstanding the provisions of any food order or regulation now or hereafter issued, unless specifically prohibited therein, any ship operator may purchase restricted food from any person and any person may sell or deliver restricted food to ship operators and such sales or deliveries may be considered by the sellers in the same manner as sales to the War Shipping Administration: *Provided*, That such sales shall be made by written order or contract containing duly signed certificates in the form provided in paragraph (d) hereof. All restricted food purchased by ship operators pursuant to this regulation shall be used only for feeding aboard vessels operated under contract with the War Shipping Administration.

(f) *Purchases from intermediate distributors.* A contract school or a ship operator may purchase set aside food and restricted food directly from the person required to set aside food or restricted by any food order, or may purchase such foods indirectly through jobbers, wholesalers, or other intermediate distributors. Where such purchases are made indirectly, the intermediate distributor shall make copies of the certificates provided in paragraphs (b) or (d) hereof, certified by him to be correct. Any person may sell to any intermediate distributor the quantities of set aside food or restricted food covered by such certified copy furnished to him, and may treat such sales in the same manner as sales made directly to contract schools or ship operators, as the case may be.

(g) *Records and reports.* Every per-

son receiving contracts or purchase orders containing certificates as provided in this regulation, or copies of such certificates, shall keep such certificates or copies for at least two years after the receipt thereof, and every person subject to this regulation shall maintain such records for at least two years (or for such other periods of time as the Director may designate), and shall execute and file such reports upon such forms and submit such information as the Director may from time to time request or direct and within such times as he may prescribe.

(h) *Audits and inspections.* Every person subject to these regulations shall, upon request, permit inspection at all reasonable times of the premises used in his business, and shall, upon request, permit audit and inspection of his books, records, and accounts by the Director.

(i) *Petition for relief from hardship.* Any person affected by this regulation who considers that compliance herewith would work an exceptional and unreasonable hardship upon him may petition in writing (in triplicate) for relief to the Director, setting forth all pertinent facts and the nature of the relief sought. The Director may, thereupon, take such action as he deems appropriate and such action shall be final.

(j) *Violations.* Any person who wilfully violates any provision of this regulation or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this regulation or wilfully conceals a material fact concerning a matter within the jurisdiction of any Department or agency of the United States may be pro-

hibited from receiving or making further deliveries of any material subject to allocation; and such further action may be taken against him as the Director deems appropriate, including recommendations for prosecution under section 35 (a) of the Criminal Code (18 U.S.C. 1940 ed. 80), under paragraph 5 of section 301 of Title III of the Second War Powers Act, and under any and all other applicable laws.

(k) *Communications to the War Food Administration.* All reports required to be filed hereunder and all communications concerning this regulation shall, unless otherwise directed, be addressed to: Director of Food Distribution, United States Department of Agriculture, Washington, D. C. Ref.: FDR-2.

(l) *Territorial extent.* This regulation applies to all persons in the United States, its territories and possessions, and the District of Columbia.

(m) *Bureau of the Budget approval.* The record-keeping requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent specific record-keeping or reporting requirements by the Director will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(n) *Effective date.* This regulation shall be effective on June 15, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 4th day of June 1943.

CHESTER C. DAVIS,
War Food Administrator.

Press Release Immediate:
Saturday, June 5, 1943

A certificate system to facilitate procurement of foods by schools under contract for training military personnel and by certain vessels was announced today by the War Food Administration.

These "contract" schools and ships will buy "set-aside" and "quota exempt" foods under the certificate plan, effective June 15. Set-aside foods are those, such as meats and canned fruits and vegetables, of which certain quantities are reserved to meet Government requirements. Quota exempt foods are those which Government agencies are permitted to buy in excess of civilian quotas, including such items as tea and spices.

Eligible schools are those holding written contracts to food personnel of the Armed Services, and which have been specifically authorized by the Armed Services to purchase set-aside and quota exempt foods. Eligible ship operators are those under contract with the War Shipping Administration.

Food needs of contract schools are included in the total food requirements of the Armed Forces. Procurement difficulties have arisen, however, since these schools do their own purchasing. Heretofore there has been no official means of identifying eligible institutions.

A somewhat similar situation has existed with respect to vessels operating under contract with the War Shipping Administration. That agency submits

all food requirements for such ships, but the foods covered by these requirements are purchased directly by ship operators from private ship chandlers (suppliers).

Under Food Distribution Regulation 2, issued today, representatives of "contract" schools or vessels under contract to War Shipping Administration will provide a certificate to food vendors in obtaining set-aside or restricted foods. The type of certificate that must be used on each purchase order is specified in the regulation.

In selling these types of foods to "contract" schools and ships, intermediate distributors will keep the original certificate and submit a copy to their own supplier, in order to replenish their stocks.

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FDR 2

AMDT. 1

OCTOBER 8, 1943

WAR FOOD ADMINISTRATION

[Regulation 2, Amdt. 1]

PART 1598—GENERAL REGULATIONS
CONTRACT SCHOOLS PERMITTED TO BUY SET ASIDE AND RESTRICTED FOOD

Food Distribution Regulation No. 2, (8 F.R. 7523) issued by the War Food Administrator on June 4, 1943, is hereby completely revised and amended to read as follows:

§ 1598.1 Purchase of set aside and restricted food by contract schools.—(a) **Definitions.** For the purposes of this regulation:

(1) "Contract school" means and includes any person who is feeding, pursuant to a written contract with an agency of the United States, personnel of the Armed Services of the United States fed under the command of a commissioned or noncommissioned officer or other authorized representative of the Armed Services of the United States, and who is specifically authorized by the Armed Service concerned to purchase set aside and restricted food pursuant to this regulation.

(2) "Armed Services of the United States" means the Army, Navy, Marine Corps, and Coast Guard of the United States.

(3) "Set aside food" means that portion of any of the foods listed in Schedule A hereto held by any person pursuant to any food order.

(4) "Restricted food" means that portion of any food listed in Schedule B hereto which the person restricted by a food order may sell without such sales being charged against his quota under the food order.

(5) "Person" means any individual, partnership, corporation, association, business trust, or any organized group of persons, whether incorporated or not, and includes the States and any subdivisions thereof.

(6) "Director" means the Director of Food Distribution, War Food Administration.

(b) **Purchases of set aside and restricted food by contract schools.** Notwithstanding the provisions of any food order or regulation now or hereafter issued, unless specifically prohibited therein, any contract school may purchase any set aside or restricted food from any person, and any person may sell or deliver set aside or restricted food to any contract school, and such sales or deliveries may be considered by the sellers in the same manner as sales to the Armed Services of the United States:

Provided, That all such purchases by such contract school shall be made by written order or contract containing the following certificates signed by an authorized representative of the contract school and by an officer of the Armed Services of the United States:

The undersigned certifies and represents to the War Food Administration that he is the _____ of _____

(Position held) (Name of university, etc.) which is feeding _____

(Army, Navy, Marine Corps or Coast Guard) personnel pursuant to contract No. _____ with _____ and

(Contracting Government Agency) that all of the items and quantities of food listed hereon are required for and will be used in feeding such personnel.

(Title)

I certify that _____ is
(Name of university, school, etc.) feeding _____ personnel
(Army, Navy, Marine Corps, or Coast Guard) pursuant to contract No. _____ with _____ and that the

(Contracting Government Agency) above individual has represented to me that all of the food items and quantities listed hereon are required for and will be used in feeding such personnel.

(Officer's Title)

All set aside and restricted food purchased by contract schools shall be used by such schools only for feeding personnel of the Armed Services of the United States.

(c) **Purchases from intermediate distributors.** A contract school may purchase set aside and restricted food directly from the person required to set aside food or restricted by any food order, or may purchase such foods indirectly through jobbers, wholesalers, or other intermediate distributors. Where such purchases are made indirectly, the intermediate distributor shall make copies of the certificates provided in paragraph (b) hereof, certified by him to be correct. Any person may sell to any intermediate distributor the quantities of set aside food or restricted food covered by such certified copy furnished to him and may treat such sales in the same manner as sales made directly to contract schools.

(d) **Records and reports.** (1) The Director shall be entitled to obtain such information from, and require such reports and keeping of such records by, any person, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this regulation.

(2) Every person receiving contracts or purchase orders containing certifi-

cates as provided in this regulation and every other person subject to this regulation shall maintain an accurate record for two years (or for such other period of time as the Director may designate) of his transactions involving set aside and restricted foods for contract schools.

(3) The record-keeping requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent record-keeping or reporting requirements will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(e) **Audits and Inspections.** The Director shall be entitled to make such audit and inspection of the books, records, and other writings, premises, or stocks of food of any person participating in any transaction involving the purchase of set aside or restricted foods by contract schools and to make such investigations as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this regulation.

(f) **Petition for relief from hardship.** Any person affected by this regulation who considers that compliance here-with would work an exceptional and unreasonable hardship upon him may apply, in writing, for relief to the Director, setting forth in such petition all pertinent facts and the nature of the relief sought. The Director may thereupon take such action as he deems appropriate and such action shall be final.

(g) **Violations.** The Director may by suspension order prohibit any person who violates any provisions of this regulation from receiving, making deliveries of, or using any material subject to priority of allocation control by the War Food Administrator and may recommend that any such person be prohibited from receiving or using material subject to the priority or allocation control of other government agencies. In addition, any person who wilfully violates any provision of this regulation is guilty of a crime and may be prosecuted under any or all applicable laws. Civil action may also be instituted to enforce any liability or duty created by or to enjoin any violation of any provision of this regulation.

(h) **Communications.** All reports required to be filed hereunder and all communications concerning this regulation shall, unless otherwise directed, be addressed to: Director of Food Distribution, War Food Administration, Washington, 25, D. C., Ref.: FDR-2.

(i) *Territorial extent.* This regulation applies to all persons in the forty-eight States, the District of Columbia, and the territories and the possessions of the United States.

(j) *Delegation of authority.* The administration of this regulation and the powers vested in the War Food Administrator, insofar as such powers relate to the administration of this regulation, are hereby delegated to the Director. The Director is authorized to amend the schedules to this regulation. The Director is authorized to redelegate to any person within the United States Department of Agriculture any or all of the authority vested in him by this regulation.

(k) *Reference to ship operators.* This regulation no longer applies to the acquisition of set aside and restricted food by ship operators. The acquisition of these foods for this purpose is controlled

by Food Distribution Regulation No. 3 (*supra*). Reference should be made to that regulation for all definitions and provisions regarding the supplying food to ship operators.

(1) *Effective date.* This amendment shall be effective on November 15, 1943. With respect to violations of said regulation, rights accrued, or liabilities incurred prior to the effective date of this amendment, said Food Distribution Regulation No. 2 shall be deemed to be in full force and effect for the purposes of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, or liability.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 8th day of October 1943.

MARVIN JONES,
War Food Administrator.

Press Release, Immediate:
Saturday, October 9, 1943.

The War Food Administration today announced a licensing program for suppliers who sell "set-aside", "restricted" or "designated" foods to ships operating under direction of the War Shipping Administration and vessels of allied or neutral countries named by that agency.

The program is effective November 15, 1943, and after that date all such food suppliers will be required to have operating licenses issued by the Director of Food Distribution. Licenses will be issued only to those who were engaged regularly during the last 6 months of 1942 in supplying foodstuffs to ship operators.

The licensing program, provided in Food Distribution Regulation No. 3, will supersede provisions applying to ship suppliers in Food Distribution Regulation No. 2. FDR 2 authorized a certificate plan by which suppliers could obtain replacements for the quantity of set aside

and restricted foods sold to contract schools and ships. Food Distribution Regulation 2 has been amended to exclude all provisions affecting ship suppliers, but retains the certificate plan for schools under contract for training military personnel.

When a supplier is licensed, he will be required to report how much of foods classified in FDR 3 he has on hand. He also will be given an inventory quota based on the total of these foodstuffs he sold to ship operators during any two calendar months in the year beginning July 1, 1942. In making purchases, the supplier will not be permitted to buy quantities that would build his inventory beyond his allowable quota.

The new regulation will give WFA more effective control over food supplies for ships, officials said, and will enable ship suppliers to maintain adequate inventories for servicing ships. It also will reduce the possibility that foodstuffs for ships will be obtained from supplies allocated to civilians.

SCHEDULE A

	Applicable Food Distribution Order
Set aside foods:	
American cheese	15
Beef	75-2
Butter	2
Dried skim milk	54
Rice	10
Turkeys	71

SCHEDULE B

Restricted foods:	
Cocoa products	25
Fats and oils products	42
Frozen dairy foods	8
Honey	47
Meats (Pork, beef, veal, lamb)	75-1
Molasses	51
Peanuts	78
Spices	19
Tea	18

Foods classified in FDR 3 as "set-aside" foods are American cheese, beef, butter, dried beans and peas, dried whole eggs, dried skim milk, shell eggs, rice and turkeys. In the "restricted" group are frozen eggs, frozen dairy foods, fats and oils, honey, imported salted fish, meats, molasses, peanuts and peanut butter, pet foods, spices and tea. Foods especially designated are canned fish and shellfish, canned fruits, vegetables and juices, concentrated citrus juices, dehydrated vegetables and dried fruits.

Licenses must be obtained for every outlet supplying food to ships, regardless of common ownership. Applications must be submitted on Form FDR-3-1 to the Director of Food Control, War Shipping Administration, Washington, D. C. When approved by WSA, they will be forwarded to the Director of Food Distribution, War Food Administration, for issuance of the license. Application forms may be obtained from regional offices of Food Distribution Administration or regional offices of War Shipping Administration.

WAR FOOD ADMINISTRATION

PART 1598—GENERAL REGULATIONS
[Reg. 2, Amdt. 2]

CONTRACT SCHOOLS PERMITTED TO BUY SET ASIDE AND RESTRICTED FOOD

Section 1598.1 (1) of Food Distribution Regulation No. 2, as amended (8 F.R. 7523, 13879) issued by the War Food Administrator on June 4, 1943 and amended October 8, 1943 is amended to read as follows:

(1) *Effective date.* This Amendment No. 1 shall be effective on December 1, 1943. With respect to violation of said regulation, rights accrued, or liabilities incurred prior to the effective date of this amendment, said Food Distribution Regulation No. 2 shall be deemed to be in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, or liability.

This amendment shall be effective November 15, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783)

Issued this 15th day of November 1943.

ASHLEY SELLERS,
Assistant War Food Administrator.

War Food Administration:

Summary for FDR 3 Am. 1 and FDR 2 Am. 2.

The effective date of the program to license ship suppliers, provided under Food Distribution Regulation 3, has been moved forward from November 15, 1943, to December 1, 1943. This action was taken with the concurrence of the War Shipping Administration. Meanwhile, the certificate plan, authorized in Food Distribution Regulation 2, will continue in effect.

Until December 1, suppliers who sell "set-aside", and "restricted", foods to ships operating under direction of the War Shipping Administration, will continue to receive certificates with which to obtain replacements of quantities of these foods sold to ships.

On that date, the licensing program will supersede the certificate plan. Under FDR 3, ship suppliers will be required to have operating licenses issued by the Director of Food, Distribution. These licenses will be issued only to those engaged regularly during the last 6 months of 1942 in supplying foodstuffs

to ship operators. Those licenses will be given an inventory quota based on the amount of these foods sold to ship operators during any two calendar months in the year beginning July 1, 1942.

Ship suppliers who have already been licensed by FDA may not use their licenses until the new effective date of the order. Those not licensed should apply at once to the Director of Food Control, War Shipping Administration, Washington, D. C. Copies of the application may be obtained from the Regional offices of WSA or FDA.

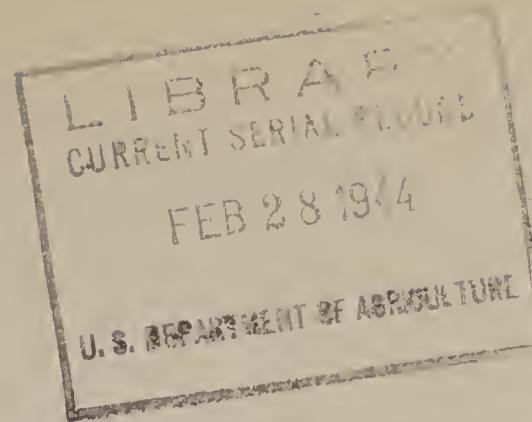
WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.CORRECTION NOTICE - REGULATION 2 AMENDMENT 2
CONTRACT SCHOOLS PERMITTED TO BUY SET ASIDE AND RESTRICTED FOOD

In printing Summary for FDR 2 Amendment 2 the following errors occurred:

Third paragraph, fourth sentence the word "licenses" should read "licensed", also the word "those" should be deleted and "set-aside" "restricted" and "designated" inserted so that the sentence reads: "Those licensed will be given an inventory quota based on the amount of set aside restricted and designated foods sold to ship operators during any two calendar months in the year beginning July 1, 1942".



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Reg. 2-1
JAN. 8, 1944

WAR FOOD ADMINISTRATION

[Reg. 2-1]

PART 1598—GENERAL REGULATIONS

REVISION OF SCHEDULES TO REGULATION 2

Pursuant to the authority vested in me by the provisions of Food Distribution Regulation No. 2, as amended (8 F. R. 7523, 13879, 15655), the schedules to that regulation are hereby revised to read as follows:

SCHEDULE A

Set-aside foods:	Applicable food distribution order
American cheese	15
Beef	75-2
Dried skim milk	54
Rice	10

SCHEDULE B

Restricted foods:	Applicable food distribution order
Cocoa products	25
Fats and oils products (excluding lard), (limited to salad and cooking fats, shortening and compounds, margarine, and soap (bar soap and soap powder))	42

Restricted foods:	Applicable food distribution order
Frozen dairy foods	8
Honey	47
Fluid milk, fluid cream, and milk by-products (fluid buttermilk, skim milk, flavored milk drink or beverage containing more than 85% of milk; and cottage, pot or baker's cheese)	79
Molasses	51
Peanuts and peanut butter	89
Spices	19
Tea	18

This revision shall be effective on January 1, 1944.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783; F.D.R. No. 2, 8 F.R. 7523, 13879, 15655)

Issued this 8th day of January 1944.

ROY F. HENDRICKSON,
Director of Food Distribution.

War Food Administration, Summary to FDO Regulation 2.1.

The list of set aside and restricted foods, which contract schools are authorized to buy under Food Distribution Regulation 2, was brought up to date by a revision of schedules A and B of that regulation, the War Food Administration announced today. Contract schools are those schools which have written contracts with the armed services to feed military personnel.

Under revision 2.1 to FDR 2, effective January 1, 1944, butter and turkeys are taken off schedule A, which covers set aside foods, and meats are removed from schedule B, covering restricted foods. Fluid milk, fluid cream, and milk by-products have been added to schedule B as restricted foods. This change in

the food schedules reflects changes in food distribution orders made since the regulation was amended last October.

Set aside foods refer to that portion held or set aside for Government use by a manufacturer or authorized distributor. Restricted foods are those on which civilian use is restricted or limited and Government Agencies are permitted to buy in excess of the civilian quota. Under the certificate plan used in Food Distribution Regulation 2, contract schools are eligible to buy these foods.

Food schedules under the regulations will be revised periodically to keep them current with new food orders.

Schedules, as revised, follow:

SCHEDULE A

Set-aside foods:
American cheese.
Beef.

Set-aside foods:
Dried skim milk.
Rice.

Restricted foods:
Cocoa products.
Fats and Oils products (excluding lard) (Limited to salad and cooking fats, shortening and compounds, margarine, and soap (bar soap and soap powder)).

Frozen Dairy foods.

Honey.

Fluid milk, fluid cream, and milk by-products (fluid buttermilk, skim milk, flavored milk drink, or beverage containing more than 85% of skim milk, and cottage, pot or baker's cheese).

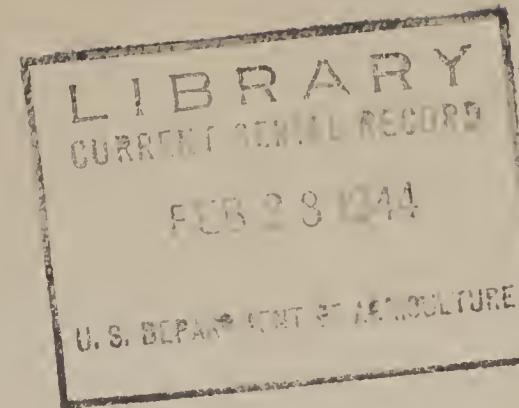
Molasses.

Peanuts and peanut butter.

Spices.

Tea.

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Reg. 2-1
AMDT. 1
JAN. 21, 1944

WAR FOOD ADMINISTRATION

[Reg. 2-1, Amdt. 1]

PART 1598—GENERAL REGULATIONS

AMENDMENT TO REVISED SCHEDULES TO FOOD DISTRIBUTION REGULATION 2

Pursuant to the authority vested in me by the provisions of Food Distribution Regulation 2, as amended (8 F.R. 7523, 13879, 15655), Food Distribution Regulation 2-1 (9 F.R. 435) is amended by the addition of the following item to Schedule A (set aside foods):

Applicable Food Distribution Order

Butter ----- 2

This amendment shall be effective January 1, 1944.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783; FDO No. 2, 8 F.R. 7523, 13879, 15655)

Issued this 21st day of January 1944.

LEE MARSHALL,
Director of Food Distribution.

War Food Administration,
Summary to 2.1 Amendment 1.

Food Distribution Regulation 2.1 has been amended to reinstate butter in Schedule A as a set-aside food which contract schools are authorized to purchase. The change is made retroactive to January 1, 1944, to permit vendors of set-aside butter to retain set-aside credit for sales to contract schools made since the beginning of the year.

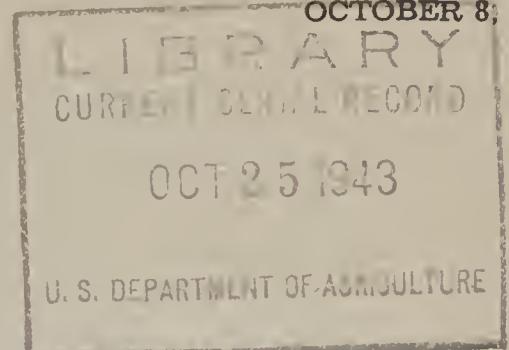
It was pointed out that this amendment does not guarantee a contract

school a source of set-aside butter direct from vendors. It will apply only where schools are able to locate a vendor who has received permission from the administrator of the butter set aside order (Food Distribution Order No. 2) to hold set-aside stocks for delivery to eligible purchasers prior to April 1. This system will facilitate cleaning up small lots of set-aside butter from the 1943 program, and at the same time it will permit many contract schools to retain their regular source of supply for butter.

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Copy 1

FDR 3

OCTOBER 8, 1943



WAR FOOD ADMINISTRATION

[Regulation 3]

PART 1598—GENERAL REGULATIONS

LICENSED SHIP SUPPLIERS PERMITTED TO BUY SET ASIDE AND RESTRICTED FOOD

The following regulation is deemed necessary and appropriate to permit licensed ship suppliers to obtain set aside and restricted foods to supply ship operators.

§ 1598.7 Purchase and sale of set aside and restricted food by licensed ship suppliers—(a) Definitions. For the purposes of this regulation:

(1) "Ship operator" means any person conducting the business of vessels for the account of the United States under a general agency form of service agreement approved by the Administrator of the War Shipping Administration; or operating, as the owner or owner's agent, a vessel time chartered to the United States, represented by the Administrator of the War Shipping Administration; or operating a vessel, the services of which are employed by the United States, represented by the administrator of the War Shipping Administration; or operating a vessel designated by the War Shipping Administration, which is owned, chartered, or operated by any allied or neutral country.

(2) "Set aside food" means that portion of any of the foods listed in Schedule A hereof, as amended from time to time, held by any person pursuant to a food order.

(3) "Restricted food" means that portion of any of the foods listed in Schedule B hereof, as amended from time to time, which a person restricted by a food order has sold or may sell without such sales being charged against his quota under the food order.

(4) "Designated food" means that portion of any of the foods listed in Schedule C hereof, as amended from time to time, held by any person pursuant to a food order.

(5) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not, and includes the States and their political subdivisions and agencies.

(6) "Director" means the Director of Food Distribution, War Food Administration.

(7) "Ship supplier" means any person who at any time during the last six months of 1942 was regularly engaged in operating a bona fide business of supplying foodstuffs directly to ship operators for ship stores.

(8) "Ship stores inventory" means that quantity of set aside, restricted, and designated food which the ship supplier has obtained for sale as ship stores by use of certificates under this regulation, under Food Distribution Regulation No. 2 (8 F.R. 7523), or by special authorization from the Director, and which is (i) owned by him and in his possession, (ii) in transit to him, (iii) on consignment to him and in his possession, or (iv) in storage subject to his disposition. It also includes all food purchased or ordered by a ship supplier through the use of certificates under this regulation which has not been delivered.

(9) "Ship stores quota" means a quantity of any set aside, restricted, or designated food equal to the total quantity of such food sold directly to ship operators by a ship supplier (each outlet considered separately), during any two calendar months during the period July 1, 1942 to June 30, 1943.

(b) *License required of ship suppliers.* A ship supplier in order to obtain any set aside, restricted, or designated foods for delivery to ship operators must hold a valid and effective license under the provisions of this regulation. Separate licenses are required for each outlet selling food for ship stores regardless of common ownership of two or more of such outlets.

(c) *Issuance of licenses.* All applications for licenses under this regulation shall be submitted on such forms and contain such information as the Director may require. Application forms may be obtained from regional offices of Food Distribution Administration or regional offices of War Shipping Administration. Applications shall be submitted to the War Shipping Administration for approval. Upon the receipt of an application properly executed, and approved by the War Shipping Administration, the Director shall issue the license unless he has reason to believe that the applicant did not, cannot, or will not comply with the provisions of this regulation. Licenses issued hereunder may not be transferred in any manner. At any time the War Shipping Administration may withdraw its approval given hereunder, and thereupon shall advise the Director promptly.

(d) *Sales of food acquired under this regulation by ship suppliers.* A licensed ship supplier may sell or deliver food contained in his ship stores inventory only to a ship operator for immediate delivery on board a vessel, or to another licensed ship supplier who furnishes the certificate provided for in this regulation.

Licensed ship suppliers shall not sell or deliver any such food to any other person or to any ship operator for purposes other than immediate delivery on board a vessel.

(e) *Acquisition of set aside and restricted food by ship suppliers.* The ship stores inventory of any set aside, restricted, or designated food of any licensed ship supplier may not exceed his ship stores quota. Within this limitation, and not otherwise, licensed ship suppliers may purchase set aside and restricted food pursuant to this regulation. If, on the effective date of a license issued under this regulation, a licensed ship supplier has a total ship stores inventory greater than his ship stores quota, he shall not purchase any of the kinds of set aside, restricted, or designated food which he holds in excess of his ship stores quota until he has reduced his holdings below his ship stores quota.

(f) *Certifications.* Licensed ship suppliers shall attach to each of their purchase orders for set aside and restricted food under this regulation a certificate in substantially the following form:

I hereby certify and represent to the War Food Administrator and to the seller that the quantities of the commodities listed herein and included in the attached purchase order are and may be ordered pursuant to the provisions of Food Distribution Regulation ----, with the terms of which I am familiar.

----- Date ----- Name of firm
----- Address
----- License number ----- Authorized representative
This certificate shall not be used for purchases of other than set aside, restricted, or designated food for sale as ship stores.
(g) *Sales of set aside, restricted, and designated food to ship suppliers.* Notwithstanding the provisions of any food order now or hereafter issued, unless specifically prohibited therein, any licensed ship supplier may purchase set aside, restricted, or designated food for sale as ship stores from any person and any person may sell or deliver set aside, restricted, or designated food for sale as ship stores to licensed ship suppliers: *Provided*, That all such purchases are certified as provided in paragraphs (f) and (h). All such sales or deliveries may be reported and considered by the sellers in the same manner as sales to the War Shipping Administration. Purchases of set aside, restricted, and designated food by licensed ship suppliers for purposes other than sale to ship operators are unaffected by this regulation.

(h) *Acquisition of designated food by ship suppliers.* Designated food may be purchased by licensed ship suppliers only by complying with provisions of paragraphs (e), (f), and (g) hereof and, in addition thereto, by securing special authorization therefor from the Director. Applications for such authorization shall be sent to the Director and shall specify the items desired and the quantity, quality, and container size desired. The name of the person from whom it is proposed to buy these foods shall also be stated. Applications may be made by mail or by telegraph. The certificate used for the purchase of designated food shall contain the following statement in addition to the statement prescribed by paragraph (f) hereof:

The purchase of all designated food listed hereon has been authorized by the Director of Food Distribution.

(i) *Purchases from intermediate distributors.* A ship supplier may purchase set aside and restricted food for ship stores directly from the person who is required to set aside food or who is restricted by any food order, or may purchase such food indirectly from jobbers, wholesalers, or other intermediate distributors. Where such purchases are made indirectly, the intermediate distributor shall make copies of the certificates provided in paragraph (f) hereof, certified by him to be correct, or may make lists of all or part of the food items on such certificates, certified by him to be correct. Any person may sell to any intermediate distributor the quantities of set aside food or restricted food covered by such certified copy or certified list furnished to him and may treat such sales in the same manner as sales of ship stores made directly to licensed ship suppliers.

(j) *Change in ship stores quotas.* (1) When recommended by the War Shipping Administration, the Director may authorize an emergency increase in the ship stores quota of any licensed ship supplier. The Director may limit the duration of such increase.

(2) The Director may increase or reduce the ship stores quota of any licensed ship supplier, and may establish a ship stores quota for any licensed ship supplier.

(k) *Stockpiles established at the request of the War Shipping Administration.* None of the provisions of this regulation shall apply to any acquisition or disposition by licensed ship suppliers of food acquired by them for stockpiling purposes pursuant to written instructions concerning these stockpiling operations, issued by the War Shipping Administration, and subject to the direction and control of the War Shipping Administration.

(l) *Records and reports.* (1) The Director shall be entitled to obtain such information from and require such reports and the keeping of such records by any person as may be necessary or appropriate in his discretion to the enforcement of the provisions of this regulation.

(2) Every person subject to this regulation shall, for at least two years (or for such other period of time as the Director may designate), maintain an accurate record of his transactions in set aside, restricted, and designated food, and a record of his ship stores inventory at the end of each calendar month. Every person receiving certificates or lists as provided in paragraphs (d), (g), and (i) hereof, shall preserve them for at least two years.

(3) The record-keeping requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent record-keeping or reporting requirements will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(m) *Audits and inspections.* The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises and inventories of any person affected by this regulation and to make such investigations as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this regulation.

(n) *Petition for relief from hardship.* Any person affected by this regulation who considers that compliance here-with would work an exceptional and unreasonable hardship on him may apply, in writing, for relief to the Director, setting forth in such petition all pertinent facts and the nature of the relief sought. The Director may thereupon take such action as he deems appropriate and such action shall be final.

(o) *Revocation of license.* At any time, the Director may suspend or revoke the license granted under this regulation to any licensed ship supplier. Upon being notified by the War Shipping Administration that it has withdrawn its approval under the provisions of paragraph (c) of this regulation with respect to any licensee hereunder, the Director shall revoke the license of that licensee. A ship supplier whose license is suspended or revoked by the Director shall dispose of his ship stores inventory according to instructions issued by the Director.

(p) *Violations.* The Director may, by suspension order, prohibit any person who violates any provision of this regulation from receiving, making any deliveries of, or using any material subject to priority or allocation control by the War Food Administrator, and may recommend that such person be prohibited from receiving, making deliveries of, or using materials subject to the priority or allocation control of other Government agencies. In addition, any person who wilfully violates any provision of this regulation is guilty of a crime and may be prosecuted under any or all applicable laws. Civil action may also be instituted to enforce any liability or duty created by, or to enjoin any violation of, any provision of this regulation.

(q) *Communications.* All reports required to be filed hereunder and all communications concerning this regulation

shall, unless otherwise directed, be addressed to: Director of Food Distribution, War Food Administration, Washington 25, D. C., Ref.: FDR-3.

(r) *Territorial extent.* This regulation applies to all persons in the forty-eight States, the District of Columbia, the territories, and the possessions of the United States.

(s) *Delegation of authority.* The administration of this regulation and the powers vested in the War Food Administrator, insofar as such powers relate to the administration of this regulation, are hereby delegated to the Director. The Director is authorized to amend the schedules to this regulation and is authorized to redelegate to any person within the United States Department of Agriculture any or all of the authority vested in him by this regulation.

(t) *Effective date.* This regulation shall be effective on November 15, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 8th day of October 1943.

MARVIN JONES,
War Food Administrator.

SCHEDULE A

Set aside foods:	Applicable Food Distribution Order
American (Cheddar) cheese	15
Beef	75-2
Butter	2
Concentrated citrus juices	3
Dried skim milk	54
Rice	10
Turkeys	71

SCHEDULE B

Restricted foods:	
Frozen dairy foods	8
Fats and oils (excluding lard) (Limited to salad and cooking fats, shortening and compounds, margarine, and soap (bar soap and soap powder))	42
Honey	47
Imported salted fish	72
Meats (Limited to beef, lamb, pork, veal)	75-1
Molasses	51
Peanuts and peanut butter	78
Pet foods	58
Spices	19
Tea	18

SCHEDULE C

Designated foods:	
Canned fish and shellfish (Limited to Maine and California sardines, salmon, shrimp, mackerel)	44
Canned fruits and fruit juices (Limited to apples, apricots, berries, red sour pitted cherries, figs, fruit-cocktail, grapefruit, peaches, pears, pineapple, orange juice, grapefruit juice, orange and grapefruit juice, and pineapple juice)	22-4
Canned vegetables and vegetable juices (Limited to asparagus, lima beans, snap beans, beets, carrots, corn, peas, pumpkin and squash, spinach, tomatoes, tomato puree, tomato paste, tomato juice, and tomato catsup)	22-4
Dehydrated vegetables (Limited to beets, cabbage, onions, potatoes, and rutabagas)	30
Dried fruits (Limited to apples, apricots, pears, peaches, prunes, and raisins)	18
Dried beans and peas	45

Press Release, Immediate:
Saturday, October 9, 1943.

The War Food Administration today announced a licensing program for suppliers who sell "set-aside", "restricted", or "designated" foods to ships operating under direction of the War Shipping Administration and vessels of allied or neutral countries named by that agency.

The program is effective November 15, 1943, and after that date all such food suppliers will be required to have operating licenses issued by the Director of Food Distribution. Licenses will be issued only to those who were engaged regularly during the last 6 months of 1942 in supplying foodstuffs to ship operators.

The licensing program, provided in Food Distribution Regulation No. 3, will supersede provisions applying to ship suppliers in Food Distribution Regulation No. 2. FDR 2 authorized a certificate plan by which suppliers could obtain replacements for the quantity of set

aside and restricted foods sold to contract schools and ships. Food Distribution Regulation 2 has been amended to exclude all provisions affecting ship suppliers, but retains the certificate plan for schools under contract for training military personnel.

When a supplier is licensed, he will be required to report how much of foods classified in FDR 3 he has on hand. He also will be given an inventory quota based on the total of these foodstuffs he sold to ship operators during any two calendar months in the year beginning July 1, 1942. In making purchases, the supplier will not be permitted to buy quantities that would build his inventory beyond his allowable quota.

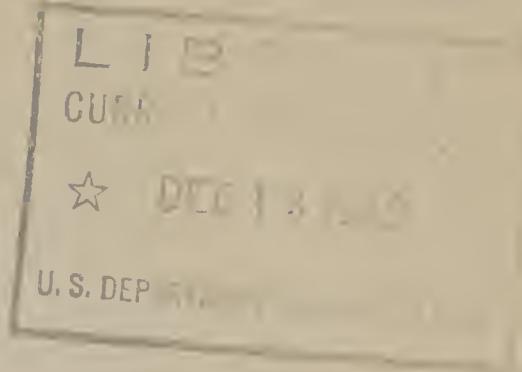
The new regulation will give WFA more effective control over food supplies for ships, officials said, and will enable ship suppliers to maintain adequate inventories for servicing ships. It also will reduce the possibility that foodstuffs for ships will be obtained from supplies allocated to civilians.

Foods classified in FDR 3 as "set aside" foods are American cheese, beef, butter, concentrated citrus juices, dried skim milk, rice, and turkeys. In the "restricted" group are frozen dairy foods, fats and oils, honey, imported salted fish, meats, molasses, peanuts and peanut butter, pet foods, spices and tea. Foods especially designated are canned fish and shellfish, canned fruits, vegetables and juices, dehydrated vegetables, dried fruits, and dried beans and peas.

Licenses must be obtained for every outlet supplying food to ships, regardless of common ownership. Applications must be submitted on Form FDR-3-1 to the Director of Food Control, War Shipping Administration, Washington, D. C. When approved by WSA, they will be forwarded to the Director of Food Distribution, War Food Administration, for issuance of the license. Application forms may be obtained from regional offices of Food Distribution Administration or regional offices of War Shipping Administration.

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Reg. 3
AMDT. 1
NOV. 15, 1943



WAR FOOD ADMINISTRATION

PART 1598—GENERAL REGULATIONS

[Reg. 3, Amdt. 1]

LICENSED SHIP SUPPLIERS PERMITTED TO BUY SET ASIDE AND RESTRICTED FOOD

Section 1598.7 (t) of Food Distribution Regulation No. 3, (8 F.R. 13880, 14017) issued by the War Food Administrator on October 8, 1943 is amended to read as follows:

(t) *Effective date.* This regulation shall be effective on December 1, 1943.

This amendment shall be effective November 15, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783)

Issued this 15th day of November 1943.

ASHLEY SELLERS,
Assistant War Food Administrator.

War Food Administration:
Summary for FDR 3 Am. 1 and FDR 2
Am. 2.

The effective date of the program to license ship suppliers, provided under Food Distribution Regulation 3, has been moved forward from November 15, 1943, to December 1, 1943. This action was taken with the concurrence of the War Shipping Administration. Meanwhile, the certificate plan, authorized in Food Distribution Regulation 2, will continue in effect.

Until December 1, suppliers who sell "set-aside", and "restricted", foods to ships operating under direction of the War Shipping Administration, will continue to receive certificates with which to obtain replacements of quantities of these foods sold to ships.

On that date, the licensing program will supersede the certificate plan. Under FDR 3, ship suppliers will be required to have operating licenses issued by the Director of Food Distribution. These licenses will be issued only to those engaged regularly during the last 6 months of 1942 in supplying foodstuffs

to ship operators. Those licenses will be given an inventory quota based on the amount of these foods sold to ship operators during any two calendar months in the year beginning July 1, 1942.

Ship suppliers who have already been licensed by FDA may not use their licenses until the new effective date of the order. Those not licensed should apply at once to the Director of Food Control, War Shipping Administration, Washington, D. C. Copies of the application may be obtained from the Regional offices of WSA or FDA.

WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.

CORRECTION NOTICE - REGULATION 3 AMENDMENT 1

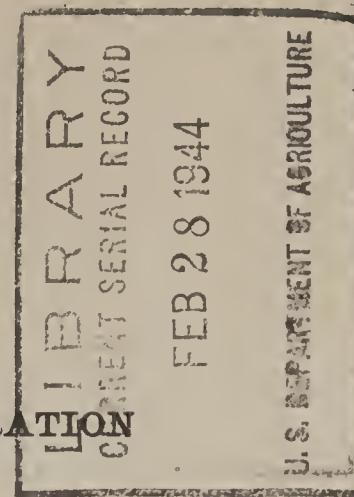
LICENSED SHIP SUPPLIERS PERMITTED TO BUY SET ASIDE AND RESTRICTED FOOD

In printing Summary for FDR 3 Amendment 1 the following errors occurred:
Third paragraph, fourth sentence the word "licenses" should read "licensed", also the word "these" should be deleted and "set-aside" "restricted" and "designated" inserted so that the sentence reads: "Those licensed will be given an inventory quota based on the amount of set-aside restricted and designated foods sold to ship operators during any two calendar months in the year beginning July 1, 1942".



7735
Cdf. 2Reg. 3-1
JAN. 8, 1944

WAR FOOD ADMINISTRATION



[Reg. 3-1]

PART 1598—GENERAL REGULATIONS

REVISION OF SCHEDULES TO REGULATION 3

Pursuant to the authority vested in me by the provisions of Food Distribution Regulation No. 3, as amended (8 F.R. 13880, 15655), the schedules to that regulation are hereby revised to read as follows:

SCHEDULE A

	Applicable food distribution order
Set aside foods:	
American (Cheddar) cheese	15
Beef	75-2
Concentrated Citrus Juices	3
Dried Skim Milk	54
Rice	10

SCHEDULE B

Restricted foods:	
Frozen dairy foods	8

	Applicable food distribution order
Restricted foods—Con.	
Fats and oils (excluding lard) (Limited to salad and cooking fats, shortening and compounds, margarine, and soap (bar soap and soap powder))	42
Honey	47
Imported salted fish	72
Milk, milk by-products, and cream	79
Molasses	51
Peanuts and peanut butter	89
Spices	19
Tea	18

SCHEDULE C

Designated foods:	
Canned fish and shellfish (Limited to Maine and California sardines, salmon, shrimp, mackerel)	44
Canned fruits and fruit juices (Limited to apples, apricots, berries, red sour pitted cherries, figs, fruit-cocktail, grapefruit, peaches, pears, pineapple, orange juice, grapefruit juice, orange and grapefruit juice, and pineapple juice)	22-4

	Applicable food distribution order
Restricted foods—Con.	
Canned vegetables and vegetable juices (Limited to asparagus, lima beans, snap beans, beets, carrots, corn, peas, pumpkin and squash, spinach, tomatoes, tomato puree, tomato paste, tomato juice, and tomato catsup)	22-4
Dehydrated vegetables (Limited to beets, cabbage, onions, and rutabagas)	30
Dried fruits (Limited to apples, apricots, pears, peaches, prunes, and raisins)	16
Dried beans and peas	45
Butter	2

This revision shall be effective on January 1, 1944.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783; F.D.R. No. 3, 8 F.R. 13880, 15655)

Issued this 8th day of January 1944.

ROY F. HENDRICKSON,
Director of Food Distribution.

War Food Administration,
Summary to FDO Regulation 3.1.

Food Distribution regulation 3, which requires that ship suppliers be licensed to buy set-aside and restricted food, has been revised to remove from the schedules those foods no longer subject to food distribution orders and to add those now coming under such orders, the War Food Administration announced today.

Effective January 1, 1944, butter will come off schedule A (set-aside foods, but will be added to Schedule C (designated foods). Turkeys will be entirely eliminated from schedule A.

Meats and Pet Foods will be eliminated from schedule B (restricted foods), and milk, milk by-products, and cream will be added to this list. Dehydrated potatoes will be eliminated from Schedule C.

Set-aside food refers to that portion of the food which is held or set aside for Government use by a manufacturer or authorized distributor under a Food Distribution Order. Restricted food refers to food on which civilian use is restricted or limited and Government agencies are permitted to buy in excess of the civilian quota. Designated food

refers to certain foods which are in short supply and therefore require special clearance before a ship supplier can obtain them, as described in the Regulation.

Food schedules under FDR 3 will be revised periodically to keep them up to date with changes in food orders.

Schedules, as revised, are as follows:

SCHEDULE A

	Applicable food distribution order
Set aside foods:	
American (Cheddar) cheese	15
Beef	75-2
Concentrated Citrus Juices	3
Dried skim milk	54
Rice	10

SCHEDULE B

Restricted foods:	
Frozen dairy foods	8
Fats and oils (excluding lard) (Limited to salad and cooking fats, shortening and compounds, margarine, and soap (bar soap and soap powder))	42
Honey	47
Imported Salted fish	72
Molasses	51
Peanuts and peanut butter	*89

*Food Distribution Order 78 was cancelled and re-issued as 89.

	Applicable food distribution order
Restricted foods—Con.	
Spices	19

SCHEDULE C

Designated foods:	
Canned fish and shellfish (Limited to Maine and California sardines, salmon, shrimp, mackerel)	44
Canned fruits and fruit juices (Limited to apples, apricots, berries, red sour pitted cherries, figs, fruit-cocktail, grapefruit, peaches, pears, pineapple, orange juice, grapefruit juice, orange and grapefruit juice, and pineapple juice)	22-4
Canned vegetables and vegetable juices (Limited to asparagus, lima beans, snap beans, beets, carrots, corn, peas, pumpkin and squash, spinach, tomatoes, tomato puree, tomato paste, tomato juice, and tomato catsup)	22-4
Dehydrated vegetables (Limited to beets, cabbage, onions, and rutabagas)	30
Dried fruits (Limited to apples, apricots, pears, peaches, prunes, and raisins)	16
Dried beans and peas	45
Butter	2

Reserves

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WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.

L I B R A R Y
C U R R E N T

NOV 1 1943

October 1943

LICENSING SHIP SUPPLIERS

Food Distribution Regulation No. 3

Questions and Answers

This statement, prepared for general distribution, is intended to supply the answers to many of the questions raised by the public. For additional information write to the Director of Food Distribution, War Food Administration, Washington 25, D. C., (Ref. FDR-3).

1. Q. What is the purpose of Food Distribution Regulation No. 3?
 - A. The primary purpose of this Regulation is to facilitate the delivery of foods to ships, and at the same time to control the use of scarce foods handled by ship suppliers. The Regulation accomplishes this by means of a license which gives qualified ship suppliers certain privileges. The license authorizes suppliers to buy foods which have been earmarked for the War Shipping Administration, for delivery to ship operators. It also permits suppliers to maintain at all times a 2 months' inventory of each of these foods so that they may have supplies on hand to fill orders from ships promptly.
2. Q. Who must have a license under the Regulation?
 - A. Every ship suppliers who wishes to participate in the privileges granted under the Regulation must have a license. A supplier who is not licensed may not purchase the foods earmarked for the War Shipping Administration.
3. Q. What persons are eligible for licenses?
 - A. Any supplier who was regularly engaged in selling foodstuffs directly to ship operators during the last 6 months of 1942 is eligible for a license. In the application form for a license (Form FDR 3-1), ship suppliers will be asked to indicate the number of weeks during the last 6 months of 1942 in which food covered by the Regulation was sold and delivered to vessels. On the basis of this information, the Administrator of the Regulation will decide whether a firm is regularly engaged in supplying ships.
4. Q. Does a ship operator need a license in order to buy food from a licensed ship supplier?
 - A. No, ship operators do not have to have a license under this Regulation. The license is required only for ship suppliers.

5. Q. How does this Regulation affect Food Distribution Regulation No. 2?
 - A. It supersedes those provisions in Food Distribution Regulation No. 2 which refer to delivery of foods to ships. Food Distribution Regulation No. 2 is being amended accordingly.
6. Q. How does a ship supplier obtain a license?
 - A. He should immediately obtain an application blank (Form FDR-1) from his nearest Food Distribution Administration regional office or from the nearest War Shipping Administration office. The application should be mailed in duplicate to Harold J. O'Connell, Director of Food Control, War Shipping Administration, Washington 25, D. C. The War Shipping Administration will then review the license application and forward it to the Food Distribution Administration, with its approval or disapproval. The Food Distribution Administration will review the application. If the license is approved, the Food Distribution Administration will return the duplicate application with the license number placed thereon. If the application is rejected, a formal denial will be forwarded to the supplier. The Food Distribution Administration will not grant any license unless the War Shipping Administration approves its issuance.
7. Q. If a firm operates more than one outlet, branch, etc., must it have a separate license for each?
 - A. The Regulation (Paragraph (a) (9)) specifically requires each outlet to have a separate license and to maintain separate quotas and inventories.
8. Q. What is the ship store's inventory?
 - A. The ship store's inventory refers to the quantities of "set aside," "restricted", and "designated" foods which a supplier has reserved for sale to ships. It includes only those foods which have been obtained by a certificate under FDR-3, FDR-2, or by special authorization from the Director of Food Distribution.
9. Q. How is the ship store's inventory computed?
 - A. The ship store's inventory consists of food on hand, in transit, on consignment, in storage, or on order.
10. Q. Does the ship store's inventory include foods held for sale to civilian uses?
 - A. Food purchased and held for civilian sale is not included in the ship store's inventory.
11. Q. How large a ship store's inventory may a ship supplier maintain?
 - A. A ship supplier may not have a ship store's inventory in excess of his ship store's quota. If a supplier has an inventory in excess of this

quota on the effective date of the license, he is required to reduce this inventory to the allowable level and cannot make additional purchases until his inventory is below the quota level. After a license has been granted, an inventory in excess of the quota will be considered as a violation of the Regulation, except in those cases where a supplier is reducing his inventory to the allowable level without making new purchases.

12. Q. What is the meaning of a "ship store's quota"?
 - A. This refers to the maximum amount of any set aside, restricted, or designated food which a supplier is permitted to maintain in his inventory. It is determined by computing sales to ship operators in any 2 calendar months in the period July 1, 1942, through June 30, 1943.
13. Q. In calculating a ship store's quota, must the same 2 months be used for each product?
 - A. No, different months may be used for each product.
14. Q. For what foods must a ship supplier compute quotas?
 - A. A supplier must compute a quota for every item or groups of items listed on the application form. It should be noted that separate quotas are established for individual dehydrated vegetables and dried fruit items. However, for other items, such as canned vegetables, a quota must be computed only for the total of all items. In case of any doubt as to the items for which quotas must be computed, the supplier should refer to his application blank.
15. Q. Can the ship store's quotas be adjusted?
 - A. Yes, but only by special permission. The Director of Food Distribution will consider requests for adjustments in the ship store's quota. In general, these adjustments will be made only to take care of emergency increases requested by the War Shipping Administration, or to allow for transportation difficulties. Changes will be permitted only in exceptional circumstances.
16. Q. What types of foods are covered by the Regulation and included in the ship store's inventory?
 - A. Set aside, restricted, and designated foods.
17. Q. What is a set aside food?
 - A. A set aside food (section (a) (2)) is that portion of the food listed on schedule A of the Regulation which is held or set aside for Government use by a manufacturer or authorized distributor.
18. Q. What is a restricted food?

A. A restricted food is any food listed on schedule B of the Regulation on which civilian use is restricted or limited and Government agencies are permitted to buy in excess of the civilian quota.

19. Q. What is a designated food?

A. A designated food is any food listed in schedule C of the Regulation. These are set aside foods which are in short supply and therefore require special clearance before a ship supplier can obtain them under the Regulation. This special clearance is explained in section (h) of the Regulation and Answer 28 below.

20. Q. What restrictions are placed on sales from the ship store's inventory?

A. A ship supplier can sell foods from his ship store's inventory only to ship operators, for delivery on board a vessel, or to another licensed ship supplier who furnishes the required certificate. A supplier should obtain and keep a receipt or other evidence of delivery.

21. Q. What ship operators are covered by the Regulation?

A. Ship operators as used in the Regulation are persons operating vessels under an agency form of service agreement approved by the Administrator of the War Shipping Administration; persons operating a vessel, the services of which are employed by the Administrator of the War Shipping Administration; or persons operating a vessel designated by the War Shipping Administration which is owned, chartered, or operated by any allied or neutral country.

22. Q. What is the meaning of "a vessel designated by the War Shipping Administration which is owned, chartered, and operated by any allied or neutral country"?

A. This phrase refers to vessels of allied and neutral countries which the War Shipping Administration will designate so that these vessels can obtain food from ship suppliers under Food Distribution Regulation No. 3. In substance, this section permits ship suppliers to sell and to obtain replacement on food sold to vessels other than those under the jurisdiction of the War Shipping Administration. The War Shipping Administration will present to the War Food Administration the food requirements for all United Nation vessels and will control the use of food on these ships just as it controls use on War Shipping Administration vessels.

23. Q. How will ship suppliers be informed as to the names of vessels designated?

A. Licensed ship suppliers will be informed by War Shipping Administration as to the name of those steamship lines serving as agents of the War Shipping Administration, and of the Allied Nations who are designated to come within the Regulation, including the names of the operating agents for these Allied Nations.

24. Q. Are tugboats and barges employed for short time service to the War Shipping Administration included as ship operators under the Regulation?

A. Yes, tugboats so employed are included under the category of any person operating a vessel, the services of which are employed by the United States.

25. Q. Does the Regulation permit transfers between ship suppliers?

A. Ship suppliers may transfer goods freely among themselves. However, a certificate as described in section (f) of the Regulation must be used on each purchase and the quantities acquired must be considered as part of the ship store's inventory. In the case of transfers of designated foods, it will not be necessary to obtain the required special clearance with the Director on ordinary purchases. Transfers may not be made if the quantity transferred will result in an inventory in excess of the ship store's quota.

26. Q. What general restrictions are placed on purchases?

A. A supplier may not purchase additional foods with a certificate until his ship store's inventory falls below his ship store's quota. This means that orders can be placed only when necessary to replace items sold, or to build up the inventory to the allowable level.

27. Q. How does a ship supplier make a purchase of set aside or restricted foods under the Regulation?

A. A ship supplier can purchase set aside or restricted foods merely by placing an order accompanied by the certification as required by section (f) of the Regulation. Purchases may be made either directly from a manufacturer or from any intermediate distributor.

28. Q. How does a ship supplier purchase designated foods?

A. Before placing his order for these products, the ship supplier must apply to the Director of Food Distribution for permission to make the purchase. The application, which may be either by mail or by telegram, should indicate the item desired, the quantity, the container size, and the name of the person from whom the purchase is to be made. The Director will then notify the supplier if the purchase may be made. Pending this approval, the supplier may not purchase the designated food.

29. Q. How does the Regulation affect food stockpiled under the supervision of War Shipping Administration?

A. The Regulation does not apply to food when it is acquired and put into a stockpile which is under the supervision of the War Shipping Administration. However, when food is taken from the stockpile by the ship supplier, a certificate must be used the same as in an ordinary purchase. Food cannot be taken from the stockpile if the quantity accepted will result in an inventory in excess of the ship store's quota.

30. Q. What action will be taken to release food to non-ship uses in an emergency when there is danger of spoilage?

A. It is believed that this problem will not be present under the Regulation since most of the foods are non-perishable. However, if it is necessary at any time to dispose of food to non-ship users in an emergency, a petition should be directed to the Director of Food Distribution, War Food Administration, Washington 25, D. C., Ref. FDR-3.

31. Q. Will any reports be required under the Regulation?

A. It is planned to have a monthly report from each supplier on his inventories, purchases, and sales.

32. Q. What action will be taken against a person who violates the Regulation?

A. The license of the supplier will be revoked, and civil and criminal sanctions may be invoked.

33. Q. When does the Regulation become effective?

A. November 15, 1943.